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TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services, and Commodities
Expert Meeting on Consumer Interests, Competitiveness,
Competition and Development
Geneva, 17-19 October 2001

PROVISIONAL AGENDA AND ANNOTATIONS

I. Provisional agenda

1. Election of officers

2. Adoption of the agenda and organization of work

3. The role of consumer and competition policies in enhancing competitiveness and development

4. Adoption of the outcome of the Meeting.

GE.01-52246

ENG

II. Annotations to the provisional agenda

Item 1. Election of officers

1. The Expert Meeting is expected to elect a Chairperson and a Vice-Chairperson-cum-Rapporteur.

Item 2. Adoption of the agenda and organization of work

2. The provisional agenda for the Expert Meeting is reproduced in section I above. The provisional schedule of meetings for the three days is given below.

Item 3. The role of consumer and competition policies in enhancing competitiveness and development

3. In order to be competitive in globalizing markets and to achieve sustainable development, countries increasingly need to take into account consumer interests, both domestically and internationally. There is growing consensus that consumer interests are best satisfied in markets where competition can prevail. In such markets, enterprises need to take fully into account consumer needs and preferences, in terms of both quality and innovation, but also with respect to price signals reflected by markets free from abuses of monopolies and dominant firms. Accordingly, competition and consumer affairs usually go hand in hand, and in most countries the two issues are dealt with by the same ministry.

4. UNCTAD X requested UNCTAD to "strengthen the capacity of public institutions for competition and consumer protection in developing countries and help them to educate the public and representatives of the private sector in this field" (Plan of Action, para.141). The Fourth UN Conference to Review All Aspects of the Set of Restrictive Business Practices (Geneva 25-29 September 2000) invited UNCTAD to convene an Expert Meeting on Consumer Policy "as a distinct body from the IGE on Competition Law and Policy".

5. Hence, taking into account the existing UN Guidelines on Consumer Protection (A/C.2/54/L.24), the Expert Meeting will examine the new dimensions of consumer concerns, especially in developing countries and economies in transition, resulting from globalization and liberalization, such as the effects of privatization of utilities on consumers, deregulation and increased competition in the market place of developing countries, consumers' access to damage redress consumer representation, and consumer access to financial services; and it will formulate appropriate recommendations for action in capacity-building for rule-making and enforcement, consumer education and enhancement activities, as well as international cooperation in this field, with a view to responding appropriately to the important requests made by UNCTAD X and the Fourth Review Conference. In its task, the Expert Meeting will have before it for consideration, the conclusions and recommendations in this respect of four regional meetings held prior to it, in Cartagena (Colombia) on 23-25 July 2001; in Accra (Ghana) on 20-21 August 2001; in Goa (India) on 10-11 September 2001; and in Bishkek (Kyrgyzstan) on 1-2 October 2001.

Documentation

TD/B/COM.1/EM.17/2 "Consumer protection, competition, competitiveness and development"

Item 4: Adoption of the outcome of the Meeting

6. The Expert Meeting will adopt its outcome, which will be assessed by member States before being submitted to the Commission on Trade and Goods and Services, the Commodities at its sixth session in February 2002. The final report will be compiled under the authority of the Chairperson after the conclusion of the Meeting.

SCHEDULE OF THE MEETING

17 October 2001	18 October 2001	19 October
Day 1	Day 2	Day 3
(10 a.m. – 1 p.m)	(10 a.m. – 1 p.m.)	(10 a.m. – 1 p.m.)
Plenary Opening statement Item 1: Election of officers Item 2: Adoption of the agenda and organization of work Informals Item 3:	Informals (Continued) Item 3: (Continued)	Informals (Continued) Item 3: (Continued)
(3 p.m. – 6 p.m.)	(3 p.m. – 6 p.m.)	(3 p.m. – 6 p.m.)
Informals (continued) Item 3: (continued)	Informals (continued) Item 3: (continued)	Plenary (closing) Item 4: Adoption of the outcome of the Meeting

Annex

INPUTS FROM EXPERTS

Experts nominated by members States are invited to submit brief papers in advance of the Meeting to the UNCTAD secretariat. These will be made available to other participants at the Meeting in the form and language in which they are received.

To facilitate a structured exchange of national experiences, experts are invited (but not required) to take into account the topics listed below when preparing inputs. They may choose to give special attention to one or more topics which are of most relevance to their national experience and from which lessons could be drawn for the benefit of the other participants. Concrete illustrative examples are encouraged.

Possible topics to be addressed

In line with the United Nations Guidelines on Consumer Protection[1] (as expanded in 1999), the Experts might wish to address the following topics:

(A) Physical safety

- Safety regulations, including on imports of products banned from consumption elsewhere.
- National and international standards.
- Voluntary standards and appropriate notices and information of hazards.
- Safety records and checks.

(B) Promotion of consumers' economic markets

- Competition rules.
- Advertising rules.
- Legislation on weights and measures, and rules against misrepresentations.
- Specific rules designed to protect consumers in financial contracts.

(C) Standards for the safety and quality of consumer goods and services

- Testing facilities and safety certification.
- Adherence to international norms and safety standards.

(D) Distribution facilities for essential consumer goods and services

- Creation of adequate storage and distribution centres in rural areas.

(E) Measures enabling consumers to obtain redress

- Formulation of redress mechanisms for low-income consumers (small claims courts, etc).
- Information about redress mechanisms for consumers.

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1 (A/C.2/54/L.24)

(F) Education and information programmes

- Strengthening consumer awareness and empowering informed choice.
- Environmentally-friendly consumption programmes.

(G) Promotion of sustainable consumption

- Promotion of sector-specific environmental-management best practices.
- Gradual removal of subsidies that promote unsustainable patterns of production and consumption.
- Recycling programmes, waste management, etc.

(H) Measures relating to specific areas, including food, water and pharmaceuticals

- Product quality control.
- Adequate and secure distribution facilities.
- Standardized international labeling.

Technical assistance

- Delegations may wish to inform the UNCTAD secretariat about their needs for advisory services and capacity building in the area of consumer protection.

Experts are kindly requested to submit their papers (hard copy and electronic format), by 30 September 2001 to: Maria-Carmen Ligertwood, Division on International Trade in Goods and Services, and Commodities, UNCTAD, E.8020, Palais des Nations, CH-1211 Geneva 10, Switzerland, Tel: ++41 22 907 5559; fax: ++41 22 917 0247;
E-mail: maria-carmen.ligertwood@unctad.org.

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Geneva, 17-19 October 2001

PROVISIONAL AGENDA AND ANNOTATIONS

Corrigendum

Paragraph 5, last line

For TD/B/COM.1/EM.17/2 read TD/B/COM.1/EM.17/3.

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Note by the UNCTAD secretariat

Pursuant to the decisions taken by UNCTAD X and the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business "...to strengthen the capacity of public institutions for competition and consumer protection in developing countries and help them to educate the public and representatives of the private sector in this field", UNCTAD organized four regional meetings: in Cartagena, Colombia, from 23 to 25 July 2001; in Accra, Ghana from 20 to 21 August 2001; in Goa, India, from 10 to 11 September 2001; and in Bishkek, Kyrgyzstan from 1 to 2 October 2001. These meetings explored issues related to consumer protection and competition policy and their relevance to competitiveness and development, and adopted recommendations.

The recommendations of the four regional meetings are contained in TD/B/COM.1/EM.17/2/Add.1 (Cartagena), TD/B/COM.1/EM.17/2/Add.2 (Accra), TD/B/COM.1/EM.17/2/Add.3 (Goa) and TD/B/COM.1/EM.17/2/Add.4 (Bishkek).

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Geneva, 17-19 October 2001

RECOMMENDATIONS

of the

Regional Seminar on Consumer Protection, Competition Policy, Competitiveness and Development

Cartagena de Indias, Colombia

23-25 July 2001

GE.01-52677 (E) 240901 250901

Introduction

1. The Regional Seminar on Consumer Protection, Competition, Competitiveness and Development for Latin America and the Caribbean organized by the United Nations Conference on Trade and Development (UNCTAD) and the Colombian Department of Trade and Industry was held in Cartagena de Indias, Colombia, from 23 to 25 July 2001. The meeting was held pursuant to the resolution adopted in September 2000 at the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules on Restrictive Business Practices, which sought support from UNCTAD and others for the competition and consumer protection authorities. According to the same resolution, UNCTAD should study the feasibility of establishing a United Nations World Competition and Consumer Day as a means of publicizing benefits to consumers of competition policy and educating the public at large.

2. The meeting was attended by representatives of the public and private sectors and non-governmental organizations from Colombia and other countries in the region, and by representatives of international organizations such as the Economic Commission for Latin America and the Caribbean (ECLAC), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and regional institutions such as the Caribbean Community (CARICOM).

3. At the meeting, the relationship between consumer protection policy, competition, competitiveness and development was analysed, with the focus on the countries in the region. Issues related to consumer and competition policy at the national, regional and multilateral levels were discussed. There was in-depth discussion of how far globalization affected consumer policy. The presentation of examples of developments in competition and consumer protection legislation and its implementation was much appreciated by participants. The importance to regional suppliers and to consumers of historical tradition and the existence of a shared culture was stressed, as the background against which the content and implementation of consumer protection and competition laws could be defined.

4. The discussions also covered countries' relevant experiences in matters of consumer protection and competition policy in different sectors, such as technology or public utilities, making it possible to highlight common experiences in running the regulatory bodies in the area of consumer protection.

5. The meeting also offered the opportunity for an enriching exchange on the relevance of the World Trade Organization (WTO) agreements with regard to consumer protection policy, the effects of the FAO/World Health Organization (WHO) Codex Alimentarius in the area of food and the importance of standardization in promoting better product quality and reducing the risks of using products.

RECOMMENDATIONS

6. In accordance with the seminar's objectives, participants agreed on the following recommendations for following up on the issue of consumer protection in the Latin American and Caribbean region:

(a) Request UNCTAD to support Governments in the implementation of the guidelines on consumer protection and, resources permitting, to ensure they are monitored;

(b) Urge UNCTAD to set up a consumer protection Web site containing information on the current regulatory framework and on the projects under way in various countries, and also on their integration agreements and international agreements;

(c) Call on UNCTAD to provide support, resources permitting, for the development of model consumer protection laws in the areas of advertising, unfair competition and fair contracts, among other things, for the use of the countries in the region;

(d) Recommend that UNCTAD should, as part of its work on competition and consumer protection, intensify its training activities and identify the research centres working on the issue in the region;

(e) Request UNCTAD to cooperate in the development of national quality systems for consumer protection and safety;

(f) Seek the support of UNCTAD in promoting cooperation between associations and institutions involved in consumer protection in the region through the establishment of information networks making full use of electronic technology, for which it should be able to rely on the active involvement of the countries and organizations concerned;

(g) Invite the Governments of the countries in the region to adopt consumer protection measures and to provide consumers and consumer organizations with more, easily accessible and understandable information;

(h) Promote the use of efficient mechanisms by companies in the countries of the region to enable consumers to assert their rights directly to the supplier, particularly through alternative dispute settlement mechanisms (such as conciliation services, customer defence organizations in companies and/or unions);

(i) With regard to institution-building, recommend that the countries in the region should ensure that the regulatory and supervisory bodies responsible for the market are independent, specialized and efficient, and assess the advantages and disadvantages of establishing multifunctional bodies to provide a comprehensive picture of consumer protection and competition policy;

(j) In order to encourage States to adopt a preventive role in consumer protection, monitor consumer protection policies in the region, identifying the main causes of violations of consumer rights, with a view to proposing joint solutions involving the State, companies and consumers in order to reduce consumer-related problems;

(k) Encourage the countries of the region to work together on questions of industrial property, standardization, unfair competition, advertising and electronic commerce and their relation to consumer protection;

(i) Identify, in the multilateral and regional discussions taking place (for example in the Free Trade Area of the Americas, WTO, the Andean Community of Nations, the Southern Common Market (MERCOSUR), CARICOM and the Central American Integration System), opportunities for the countries in the region to work on consumer protection. In this respect, references to consumer interests in existing agreements should be studied with the aim of defending those interests in the current discussions and reflecting them in future agreements;

(m) Take part in consumer awareness programmes and cooperate in this respect with State consumer protection bodies, paying particular attention to consumers on low incomes;

(n) Encourage cooperation with FAO to promote joint activities with regard to consumer protection, particularly in relation to food issues and the FAO/WHO Codex Alimentarius;

(o) Recommend that studies be undertaken into international financial issues and their effect on consumption;

(p) Encourage consumer organizations to take part in the discussions on technical standards in standardization bodies;

(q) Encourage the use of alternative dispute settlement mechanisms as a flexible, unbiased and legally binding way to settle disputes arising from consumer relations and from market relations;

(r) Maintain permanent contact between State bodies and consumer organizations, especially in relation to decisions and rulings;

(s) Establish a system of cooperation in investigations which enables countries to determine the responsibility of electronic-commerce companies and impose relevant sanctions;

(t) Propose the establishment of an UNCTAD group of experts on consumer protection and the regulation of public services.

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Geneva, 17-19 October 2001

RECOMMENDATIONS

of the
Regional Seminar on Consumer Policy, Competition Policy,
Competitiveness and Development

Accra, Ghana
20-21 August 2001

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INTRODUCTION

1. The Regional Seminar on Consumer protection, Competition Policy, Competitiveness and Development was organized by UNCTAD in cooperation with the Ministry of Trade and Industry of Ghana and The Consumer International Regional Office for Africa. The Seminar was held in Accra from 20 to 21 August 2001.

2. This meeting was one of four regional preparatory seminars held prior to the Expert Meeting on Consumer Interests, Competitiveness, Competition and Development Policy to be held in Geneva from 17 to 19 October 2001. The first regional meeting was held in Cartagena (Colombia) on 23-25 July; and the other two will take place in Goa (India) on 10-11 September 2001 and in Bishkek (Kyrgyzstan) on 1-2 October 2001.

3. The Seminar was attended by over 40 participants from 17 African countries representing consumer organizations, government agencies dealing with consumer affairs, and competition agencies. The Seminar examined the new dimensions of consumer concerns arising from globalization, especially as they relate to Africa, the effects of economic reforms, including privatization, deregulation and increased competition on consumer welfare, consumer access to damage redress, and representation. It also reviewed the experiences of the different African countries which made presentations on the experience gained in the formulation and enforcement of consumer protection legislation.

4. Presentations were also made by heads of competition agencies on their roles in promoting consumer welfare, as well as their interaction and cooperation with other government agencies and consumer representatives in raising awareness and advocating consumer rights.

5. The meeting was opened and closed by the Deputy Minister for Trade and Industry of Ghana, Dr. Bonface Abukatar Saddiqué. The meeting adopted a set of recommendations for consideration and appropriate action by the Expert Meeting on Consumer Interests, Competitiveness, Competition and Development, Geneva, 17-19 October 2001.

RECOMMENDATIONS

6. Whilst recognizing that globalization and the liberalization of trade in goods and services may have the potential to improve the circumstances of consumers in many countries, the meeting also recognized that these processes also pose major challenges in the area of consumer welfare and access to redress. The role of transnational corporations was noted as deserving particular attention in this regard.

7. It was further recognized that the deregulation of African economies and the drive to limit the role of Governments in the market place had in most cases been effected with scant regard for consumer welfare and in the absence of an institutional and legal framework for consumer protection. The processes of deregulation and liberalization have thus exposed African consumers to unsafe products and services and fraudulent or monopolistic business practices.

8. The meeting recognized that the problems of African consumers stem in part from their social circumstances, including lack of purchasing and bargaining power, and lack of knowledge and understanding of markets, mobility and ability to make an informed choice, and reaffirmed the need for specific action to address the special needs of consumers in Africa.

9. Competition and consumer protection policies should take into account the goals of eradicating poverty, satisfying the basic human needs of all members of society, and reducing inequality within countries. The meeting reaffirmed that, when properly implemented, competition and consumer policy can contribute significantly to sustainable development. The meeting recognized that national regimes for consumer protection would need to protect consumers and promote sustainable consumption patterns without imposing undue constraints on business, in order to achieve the development and growth of effective markets.

10. In the light of these findings, the meeting tables the following recommendations for consideration by the Expert Meeting to be held in Geneva in October 2001:

At the governmental level

1. Governments are urged to take the necessary steps to operationalize the UN Guidelines as a matter of urgency and in this regard incorporate consumer protection in their macroeconomic and legal framework. In this respect, African Governments should also take account of the interests of their consumers and actively negotiate on their behalf when entering into binding international agreements.

2. African Governments should develop and maintain strong competition and consumer protection policies which are mutually reinforcing with a view to promoting consumer welfare, competitive markets and competitiveness.

3. In applying competition law or any regulations, due care should be taken to ensure that measures for consumer protection are implemented for the benefit of all sectors of the population, particularly the poor.

4. Governments are called upon to take into account consumer views and interests at all levels of their policy-making and decision-making processes and in this respect create specific channels and mechanisms for dialogue with consumers and their representative organizations. In this regard, Governments are further called upon to recognize the important role that consumer representative organizations can play and support their activities.

5. Special attention should be given by Governments to ensuring both adequate resources and independence for consumer protection and competition enforcement agencies.

6. In advancing consumer interests in Africa, Governments should give priority to areas of essential health concern for the African consumer such as food, water and pharmaceuticals. Particular attention should be given to policies for product quality control, adequate and secure water distribution facilities, standardized international labeling and information.

7. Governments are encouraged to include consumer policy in the education curricula.

8. Bearing in mind the need to reach rural consumers and illiterate consumers, Governments should, as appropriate, develop or encourage the development of consumer information programmes in the mass media.

9. African consumer associations should develop joint training and information programmes. The aim of such programmes should be to enable people to act as discriminating consumers, capable of making an informed choice of goods and services and conscious of their rights and responsibilities. Governments, business, universities and other organizations of civil society should be involved in these educational and information efforts.

10. Enterprises should obey the relevant laws and regulations of the countries in which they do business. They should also conform to the appropriate provisions of international standards for consumer protection. The potential negative effects of distribution systems and the pricing of certain products, including pharmaceuticals, should be considered by enterprises when doing business in poor countries.

<u>At the level of the consumer organisations</u>

1. Consumer organisations are urged, on their part, to familiarize themselves fully with the UN Guidelines in order to be able to play their role of educating their members and contributing to their welfare.

2. Consumer organizations are called upon to invest in research capacities and stay abreast of international developments which affect the interests of the consumer In this respect, they are encouraged to participate more effectively in international fora to advance and safeguard African consumer views and interests.

3. African consumer associations should develop joint training and information programmes in cooperation with Governments, business, academic institutions and other civil society organizations.

At the international level

1. International development partners are called upon to provide technical assistance in the areas of capacity building at the human resource and institutional level for the formulation of consumer policy and its enforcement. In this regard, technical assistance should target both Governments and consumer organizations.

2. The United Nations is called upon to take stock of the UN Guidelines for Consumer Protection and review the extent of their implementation, and report to member States through its appropriate intergovernmental machinery.

3. UNCTAD is requested to publish and make available, in both hard and electronic form, the UN Guidelines for the Protection of the Consumer as expanded in 1999.

4. The United Nations, together with other international organizations, is called upon to acknowledge the importance of preserving consumer welfare in processes of globalization.

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Geneva, 17-19 October 2001

RECOMMENDATIONS

of the
Asia-Pacific Regional Seminar on New Dimensions of Consumer Protection in the Era of Globalization

Held in Goa, India,
from 10 to 11 September 2001

GE.01-52934

ENG

Introduction

The Asia-Pacific Regional Seminar on New Dimensions of Consumer Protection in the Era of Globalization was organized by UNCTAD, Consumers International (CI) and the Consumer Unity and Trust Society (CUTS) at Goa, India, on 10 to 11 September 2001. The Seminar was held in the context of the implementation of the UNCTAD X Plan of Action and the resolution adopted by the Fourth UN Conference to Review All Aspects of the UN Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices. It was attended by representatives of consumer organizations from several countries of the region, including Australia, Bangladesh, China, Fiji, India, Indonesia, Malaysia, Mongolia, Nepal, Pakistan, Sri Lanka, Thailand, and Viet Nam.

The Minister of State for Consumer Affairs, Food and Public Distribution of India, Mr. V. Sreenivasa Prasad, addressed the Seminar at its closing session. The Seminar then adopted the recommendations set out below, in the form of the Goa Declaration.

Goa Declaration

1. Taking into account the crucial importance of:

   (a) the goals of satisfying the basic human needs of all members of society, particularly the rural and underprivileged sections of the population;

   (b) the need to promote the convergence of consumer and environmental concerns;

   (c) support for national and regional efforts to document non-formal traditional knowledge for promoting sustainable production and consumption; and

   (d) efforts aimed at reducing inequity and enhancing efficiency, including through the adoption of competition rules;

the meeting agreed that properly implemented competition and consumer policies can make a key contribution to competitiveness and sustainable development.

Recommendations

2. The meeting accordingly tabled the following recommendations for consideration at the Expert Meeting on Consumer Interests, Competitiveness, Competition and Development (Geneva, 17-19 October 2001):

(a) UNCTAD should strengthen its institutional machinery to promote consumer interests, to monitor implementation of the UN Guidelines on Consumer Protection and to consider their extension, taking into account recent developments in globalization and advances in information technology. Such machinery should consider:

(i) Undertaking studies on:

(a) Possible competition abuses in the area of patenting and licensing of pharmaceuticals, food and biotechnology products and agro-inputs; and

(b) The impact of trade agreements and global business behaviour on consumers and small-scale food producers;

(ii) Helping to set up legal advice and research facilities to strengthen consumer groups' preparation and submission of amicus curae briefs at the multilateral trade dispute settlement forum and to provide and/or or support specialized legal training to interpret international agreements;

(iii) Promoting exchange of information and transparency at corporate, governmental and international levels;

(iv) Making proposals with a view to ensuring that products derived from indigenous knowledge should remain in the public domain and that disclosure of the source of a patented product is made mandatory in order to stem bio-piracy; and

(v) Promoting capacity-building by helping developing countries, upon request, to adopt or reform consumer protection and competition laws and by organizing workshops and seminars in developing countries to promote the UN Guidelines on Consumer Protection and their implementation.

(b) Work aimed at extending the UN Guidelines on Consumer Protection should lead to, or better take into account:

(i) An assessment of how the interests of consumers are considered in existing or possible future international agreements, particularly trade agreements;

(ii) The widening of the focus from consumer needs to an approach based upon citizen-consumer rights and the responsibilities of producers and suppliers of goods and services;

(iii) The need to strengthen consumer protection agencies and NGOs in developing countries in their efforts to help national Governments to develop informed decisions;

(iv) The importance of consumer protection for equity, social justice and economic efficiency, and of ensuring that consumer and competition law implementation and enforcement are achieved in a manner that gives effect to both these objectives;

(v) Recognition of the wide potential to utilize information technology to further social development, to disseminate information, and to reduce information gaps and asymmetries between producers and consumers;

(vi) International mechanisms for consumer protection, including in relation to cross-border transactions, cross-border fraud, e-commerce, etc;

(vii) Promotion of regional co-operation towards capacity-building, quality control of imported food and pharmaceutical products and implementation and enforcement of agreements;

(viii) Incorporating consumer views and interests, especially those of women, in all levels of policy-making and decision-making processes, through specific channels and mechanisms, including participation in decision-making;

(ix) Ensuring adequate resources and independence for consumer protection, competition and regulatory authorities;

(x) Giving priority to clean water and sanitation, nutrition, food security, food safety, access to essential health care supplies and services, including alternative and indigenous medicines which are safe and of good quality, education, transportation, energy, and housing;

(xi) Enhancing consultations with civil society on trade agreements, as well as studying and disseminating information on the implications of trade agreements;

(xii) Ensuring transparency of information by businesses about their products;

(xiii) Providing an enabling environment for consumer associations to build a critical mass;

(xiv) Ensuring that means of communication between UN organizations and consumers are developed to reach the grass-roots level, in particular with respect to the implications of globalization;

(xv) Creating and promoting partnerships and linkages between rural and urban consumers.

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RECOMMENDATIONS

of the International Conference on Competition in Countries in Transition

**Held in Bishkek, Kyrgyz Republic
from 1-2 October 2001**

GE.01-53082 (E) 151001 161001

The International Conference on Competition in Countries in Transition, held at Bishkek, Kyrgyzstan, from 1 to 2 October 2001 with the participation and assistance of UNCTAD, adopted the following recommendations addressed to the UNCTAD group of experts on consumer protection, competitiveness and development (17-19 October 2001, Geneva):

1. In view of the importance of consumer protection and international cooperation in this area, it would be advisable to establish a permanent programme on consumer protection within UNCTAD.

2. The CIS countries, paying considerable attention to the development of State consumer protection policy and having experience in regional cooperation, request UNCTAD to provide assistance in this area.

It is suggested that assistance be extended by UNCTAD through the programme for the implementation of the CIS countries' agreement on cooperation in the field of consumer protection adopted at the 14th meeting of the CIS Inter-State Council on Antimonopoly Policy (28 September 2001). Particular attention should be paid to legislative support for consumer protection and educational and public information work.

3. It would be advisable to hold the next UNCTAD expert meeting on consumer protection competitiveness and development in the first half of 2002 with a view to pursuing inter-State cooperation in this area.

4. The CIS countries, which are experiencing financial difficulties in supporting State consumer protection policy, call on the developed countries to ensure donor assistance for the achievement of the goals set.

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Item 3 of the provisional agenda

CONSUMER PROTECTION, COMPETITION, COMPETITIVENESS AND DEVELOPMENT

Note by the UNCTAD secretariat

Executive summary

This note reviews a set of issues relating to consumer protection, competition and competitiveness from both a national and an international perspective. It raises questions relating to the new dimensions of consumer concerns, especially in developing countries and economies in transition, resulting from globalization and liberalization, such as the effects of privatization of utilities on consumers, deregulation and increased competition, consumer representation, and consumer access to financial services, as well as questions relating to capacity-building for rule-making and enforcement. Issues in international cooperation in the enforcement of consumer protection are also raised.

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FOREWORD

1. UNCTAD X requested UNCTAD to "strengthen the capacity of public institutions for competition and consumer protection in developing countries and help them to educate the public and representatives of the private sector in this field" (Plan of Action, para.141). The Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for Control of Restrictive Business Practices (25-29 September 2000) decided in its resolution that UNCTAD should:

"(a) Provide support to public authorities on competition and on consumer protection and assist them in educating the public and representatives of the government and private sectors in the field of competition law and policy"; and

"(b) Study the feasibility of establishing a UN World Competition and Consumer Day as a means of publicizing benefits to consumers of competition policy and educating the public at large."

2. In addition, the Conference invited UNCTAD "to consider convening an Expert Meeting on Consumer Policy as a distinct body from the Intergovernmental Group of Experts on Competition Law and Policy".

3. Taking into account the existing United Nations Guidelines on Consumer Protection (A/C.2/54/L.24), the Expert Meeting will examine the new dimensions of consumer concerns, especially in developing countries and economies in transition, resulting from globalization and liberalization. To assist it in this task, the Expert Meeting will have before it the conclusions and recommendations of four regional meetings, held in Cartagena, Colombia (23-25 July 2001); in Accra, Ghana (20-21 August 2001); in Goa, India (10-11 September 2001); and in Bishkek, Kyrgyzstan (1-2 October 2001).

Chapter I

GLOBALIZATION, COMPETITION, COMPETITIVENESS AND CONSUMER PROTECTION

1.1 Global competition and consumer concerns

4. The term "globalization", which is intimately associated with the process of liberalization, has come to dominate discussion of development, markets, competition, consumer policy and the environment. Driven by technological advances and reduced costs of transport, globalization has led to greater interdependence among countries. Also, the large-scale movement of goods, services, capital, people and information across national boundaries has led to the spread of technology and ideas as well as to the evolution of global values and an elaborate set of global agreements, treaties and norms. On the supply side, perhaps the most obvious indicator of the impact of globalization can be seen in the increasing importance of transnational corporations (TNCs). On the demand side, the market for goods and services is rapidly becoming borderless and competitiveness is being increasingly determined by diverse factors such as quality, and the ability to innovate, deliver on time and adjust to changing market conditions.

5. Globalization may have positive effects by promoting competition and by widening consumer choice in terms of quality and service. However, it may also be associated with anti-competitive behaviour, or give rise to new forms of such behaviour and be detrimental to consumers' welfare.

6. There is a growing consensus amongst policy-makers that a precondition for sustainable development is the emergence of well-functioning markets. Until recently, the main emphasis was on the removal of obstacles to market forces, and relatively little attention was paid to social welfare. Whilst in many countries the circumstances of consumers may have improved, the emergence of market economies and the process of economic liberalization have also generated unexpected social problems. The economic reforms implemented from the 1980s onwards in many countries have paid little attention to the consequences of such reforms for consumers. It is now becoming increasingly accepted that to secure the benefits of global integration while reducing or eliminating its negative impacts, developing countries need both efficient markets and effective governance of commerce. This is especially true of economies that are more open to trade and international capital markets.

7. The focus of competition law and policy is the market-dominating behaviour of businesses through *inter alia* price fixing or market-sharing cartels, abuses by leading firms and merger control. The main objective is to promote competition as a means of assisting in the creation of markets responsive to consumer signals, and ensuring the efficient allocation of resources in the economy and efficient production with incentives for innovation. This results in the best possible choice of quality, the lowest prices and adequate supplies to consumers, leading to increased consumer welfare. Efficient allocation and utilization of resources also lead to increased competitiveness, resulting in substantial growth and development. There is

considerable evidence that competition is an essential ingredient for enhancement and maintenance of competitiveness in the economy.[1]

8. Standard economic theory also tells us that competitive forces work best and deliver the expected outcomes when there exists a market that is not overridden by distortions.[2] In most developing countries, the conditions for perfect competition are far from being met and the benefits of enhancing economic efficiency do not necessarily always translate into increases in consumer welfare. The relationship between increased competitiveness and development consequently becomes blurred. For example, the consumer welfare and developmental benefits from increased competition resulting from trade and investment liberalization and privatization have been questioned in the light of the experiences of many developing countries.[3]

1.2 Competition and competitiveness

9. The notion of competitiveness may be viewed at two levels: at the level of the firm and at the level of the economy as a whole. At the level of the firm, competitiveness is described as the ability to produce goods and services of the right quality, at the right price and at the right time. It means meeting customers' needs more efficiently than other firms. In a liberalizing and globalizing world economy, firms and industry competitiveness demand innovation and flexibility to meet the challenges of constantly changing market conditions. Continuous improvement in product, process, technology and organization has thus become the key to sustained competitiveness in a globalizing economy.

10. The need to continuously innovate requires a far larger production capacity and substantial knowledge and financial resources, which have implications for the optimal scale of enterprises. This poses a serious dilemma for small economies. If their firms have to grow to be competitive, what are the implications for the local economy in terms of size and the potential for monopolistic tendencies to emerge? Does it mean that they become too big in a small economy? In this situation, should firms be encouraged to aggressively seek markets abroad, and if so, is the price of domestic concentration acceptable and will there be a concurrent loss to consumer welfare? If firms are prevented from growing too big or entering into agreements with other firms, do policy-makers and consumers fully understand what benefits they are forgoing (if any)? To what extent does success in achieving international competitiveness result in employment, growth and development? Can the dilemma of

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[1] In a study containing a major survey of international industrial performance, Porter (1990) found that it is the firms that face strong domestic competition which perform best in international markets. More recent work by Porter (2000) shows that in Japan only those industries characterized by strong domestic competition remain internationally competitive following the country's recent economic downturn – examples include producers of consumer goods such as cameras, automobiles and audio equipment.

[2] "Competition is an unambiguously good thing in the first-best world of economists. That world assumes large numbers of participants in all markets, no public goods, no externalities, no information asymmetries, no natural monopolies, complete markets, fully rational economic agents, a benevolent court system to enforce contracts, and a benevolent government providing lump sum transfers to achieve any desirable redistribution." Singh A. and Dhumale R. (1999).

[3] O.M. Chanda, "Water sector reforms and the low-income consumers in urban areas", paper presented at an Economic Council for Africa workshop held in Nairobi, Kenya, 19-22 June 2000.

market concentration be resolved by focusing on the regional economy rather than the national economy?

11. Consumer protection policy, on the other hand, seeks to ensure that the efficiencies and innovation benefits brought about by competition are not retained by producers through misleading and deceptive conduct or unfair practices, but are instead shared with consumers. It provides an important safety net in markets where vigorous competition might tempt some businesses to cut corners to gain an unfair competitive advantage.

12. Effective enforcement of legislation prohibiting misleading or deceptive conduct can assist the competitive process. Strong consumer protection regimes with empowered consumers can also remove managerial slackness and make firms more efficient and competitive in terms of quality and prices. While the objectives of both policies are essentially the same, competition policy is more of a proactive policy that attempts to promote consumer interest in a market place, whereas consumer protection policy puts forward mainly a reactive agenda to protect the interests of consumers, and provide access to redress for abuses.

13. The level of competition in a market may affect the level of consumer protection required. If a competitive market is seen as delivering choices in terms of prices and quality, regulatory intervention on behalf of consumers may need to be strategically targeted so that there is little, if any, negative impact on the competitive process. It is important that consumer protection not hinder competition by, for example, imposing excessive compliance costs on businesses, which are likely to be ultimately passed on to consumers.

14. In some instances, globalization has created or intensified difficulties in the implementation of both competition and consumer protection policies. Particular competition concerns for consumers are in the areas of international cartels, and cross-border mergers and acquisitions. There appears to have been a sharp increase in the extent of global cartel activity, or at least in its detection, in the past few years. This is partly due to the impact of trade liberalization, which may have increased the pressure on firms that have traditionally dominated particular local markets without much international competition to collude with producers in other countries to divide up world markets and to agree on prices and output.[4] Whatever the motives for mergers and acquisitions, this growing phenomenon creates additional burden, in terms of resources, information and enforcement, on national authorities seeking to implement an effective competition and consumer protection policies.

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[4] A World Bank study has shown that, in 1997, developing countries imported $81.1 billion of goods from industries in which price-fixing conspiracies were subsequently discovered. These imports represented 6.7 per cent of total imports to developing countries and 1.2 per cent of the gross domestic product (GDP). They represented an even larger fraction of trade for the poorest developing countries, for which these products represented 8.8 per cent of imports. There may have been several other price-fixing conspiracies, which remained undiscovered. Moreover, all these cartels are made up of producers, mostly from industrialized countries belonging to the Organisation for Economic Co-operation and Development.

Issues for discussion

Globalization, competition and consumer concerns

How do cross-border mergers and acquisitions affect competition and the welfare of consumers? What have been the experiences of competition and consumer protection authorities in monitoring and controlling cross-border conduct?

1.3 Borderless markets, competition and consumer welfare

15. In a world of borderless markets, Governments are faced with questions about how best to protect their citizens without inhibiting the growth of the evolving global market place. They must determine whether current rules and practices are applicable and sufficient to protect consumers, particularly in the area of electronic commerce; if they are not, they must develop and implement effective and practicable consumer protections. Addressing these challenges requires an understanding of the advantages and limitations of the new technology and the existing consumer protection framework, as well as determining the appropriate balance between government intervention and industry self-regulation in achieving the desired goals.

16. Many of the traditional fraudulent commercial practices are being globalized through borderless markets. These include pyramid schemes and fraudulent business opportunities or products that either do not materialize or fail to meet consumer expectations. Fraudulent operators are taking advantage of the novelty of the electronic media and their marketing capabilities to reach millions of consumers worldwide. Cooperative law enforcement, coupled with business and consumer education about the risks of fraudulent behaviour and how consumers can best protect themselves, is proving to be an effective consumer protection strategy against fraud.

17. The growth of borderless markets and the global expansion of digital and network technologies encourage information exchange, increase consumer choice, and facilitate the ways in which data can be generated, accessed, compiled, processed, linked and stored on global networks. Governments, the private sector and consumer representatives should work to ensure that commercial activities conducted over global networks are at least consistent with the effective implementation of the United Nations Guidelines for Consumer Protection.[5]

18. Education is an essential aspect of consumer protection, and electronic networks, television and radio are well suited to help provide comprehensive and up-to-date information and advice. Digital computer and network technologies can be used to help fight fraud and educate consumers and business.

[5] A/C.2/54/L.24, as expanded in 1999.

Chapter II

NATIONAL COMPETITION LAW AND POLICY, DEREGULATION AND CONSUMER WELFARE

2.1 Effects of deregulation and increased competition on consumers

19. It is beyond the scope of this note to discuss all aspects of the interface between deregulation, competition and consumer protection issues in all the sectors mentioned above. Instead, a set of selected issues in the professional services sector, airline industry, financial sector and privatization are addressed to flag some important issues concerning this topic.

20. A large number of developing countries have undertaken regulatory reforms aimed at ensuring that regulations better serve public interests and reinforce competition in the market place. These reforms have been introduced in industries such as communications, transportation, water/sewerage, agriculture, and financial and professional services. They have included privatization and the liberalization of restrictions on market entry, and have also related to prices and business practices as well as universal service obligations, although there are important differences across countries and industries. One of the principal objectives of these reforms has been to broaden the scope for markets to allocate resources, and improve general consumer welfare and economic efficiency. Given these considerations, there is a clear interface between competition law and policy, deregulation and consumer welfare (see box below). Often a public choice would need to be made between the extension of economic regulation and consumer protection under the competition laws in order to avoid potential conflict between these two policies and promote consumer welfare. Competition agencies are equally affected by and interested in the regulatory reforms and many have played and continue to perform important advocacy and consumer protection roles in the regulatory reform process. Competition agencies have also been instrumental in drawing attention to how regulation has unnecessarily restricted competition and how part of the solution to this problem may lie in the universal application of general competition law. For example, some countries have removed exemptions applying to the financial services sector or rationalized regulation so as to permit greater competition among banks, insurance companies and pension funds. In other sectors, regulation has even led to anti-competitive practices. In professional services, for instance, there have been cases where regulation has been used to set common fees and prohibit the advertising of prices. Furthermore, when consumers are unable to assess the quality of services, there is a danger that competition will drive down the quality of services delivered to consumers.

Competition law and policy and regulation

Competition law and policy and regulation basically aim at defending the public interest against monopoly power. Competition law and regulation are not identical. There are four ways in which competition law and policy and regulatory problems can interact:

- *Regulation can contradict competition policy.* Regulations may have encouraged, or even required, conduct or conditions that would otherwise be in violation of the competition law. For example, regulations may have permitted price coordination, prevented advertising or required territorial market division. Other examples include laws banning sales below costs, which purport to promote competition but are often interpreted in anti-competitive ways, and the very broad category of regulations that restrict competition more than necessary to achieve the regulatory goals. Modification or suppression of these regulations compels the firms affected to change their habits and expectations.
- *Regulation can replace competition policy.* In natural monopolies, regulation may try to control market power directly by setting prices (price caps) and controlling entry and access. Changes in technology and other institutions may lead to reconsideration of the basic premise in support of regulation, i.e. that competition policy and institutions would be inadequate to the task of preventing monopoly and the exercise of market power.
- *Regulation may substitute for competition law and policy.* Coordination and abuse in an industry may be prevented by regulation and regulators in the same way they are prevented by competition law and policy. As for example, regulations may set standards of fair competition or tendering rules to ensure competitive bidding. However, different regulators may apply different standards, and changes or differences in regulatory institutions may reveal that seemingly duplicate policies may have led to different practical outcomes.
- *Regulation can use competition institutions' methods.* Instruments to achieve regulatory objectives can be designed to take advantage of market incentives and competitive dynamics. Coordination may be necessary in order to ensure that these instruments work as intended in the context of competition law requirements.

Source: UNCTAD, *Model Law on Competition*, TD/RBP/CONF.5/7, September 2000.

21. The experiences of many countries show success in removing some of the severe restrictions on competition in regulated sectors, particularly in the professional services sector, through advocacy and competition enforcement. Anti-competitive practices include price-fixing agreements, untruthful advertising, quantitative restrictions on entry and disproportionate entrance requirements. However, despite significant progress through competitive advocacy and competition law enforcement reported by many countries, changes in the professional sector remain relatively slow and incremental, in part because the rents earned from anti-competitive practices can be large and the professional associations' lobby is strong and well organized.

22. In the airline industry, liberalization has highlighted the benefits of competition to consumers in general, but experience has shown that this competition is vulnerable to regulatory impediments and anti-competitive activity by existing airlines. Obtaining the full benefits of competition and competitiveness for consumers in this sector requires attention to both further regulatory reform and competition law enforcement. In particular, the promotion and protection of consumer welfare require attention to both competition and regulatory issues. In particular, effective competition which could enhance consumer welfare could be addressed through:

(a) Further liberalization of regulatory constraints on competition at both the national and international levels;

(b) Investment in and allocation of scarce airport capacity, including expansion of existing airports and ensuring entrants access to the available facilities;

(c) Review of mergers and alliances and use of remedies to offset anti-competitive effects, as well as consideration of separation or divestiture in cases of dominance;

(d) Control over predatory behaviour and other anti-competitive practices.

Issues for discussion

(i) If there is a trade-off between competition and sector regulation objectives (for example, reducing the anti-competitive effect would also reduce the effectiveness of the regulation in protecting consumers), how should this be handled?

(ii) Which sectors are affected by the potential conflicts between regulation and competition policy in safeguarding consumer welfare?

(iii) What are the principal anti-competitive practices that harm consumers most in regulated sectors?

2.2 Effects of privatization of utilities on consumers

23. An important area that needs serious attention in developing countries is independent regulatory policies in the utility sector. This is especially important, as many countries, including developing countries, have in recent years gone ahead with privatization programmes, often converting State monopolies into private monopolies. Consequently, there is a serious need for sectoral regulators able to impose policies in defence of utility consumers, especially the poor.

24. Traditional public utility industries have a structure in which a non-competitive component of the industry is vertically integrated with a competitive component or activity. Such structures can arise in railways, postal services, telecommunications, electricity and many related industries. It is important that the separation of the two components of public utilities be considered before the privatization process begins in order to ensure that consumers' interest is protected. Also, it is important to place the control of the non-competitive component in the hands of a non-profit entity (usually a government body). Care should be taken, however, to ensure that incentives for efficient operation, maintenance and investment are upheld.

25. As public utilities are privatized there a number of issues related to consumer protection which should be considered:

(a) Ensuring that goods and services are provided continuously and efficiently according to quality standards, and without a company abusing the dominant position it may have, with consequent harm to the consumer;

(b) Monitoring and control of anti-competitive practices in the market place;

(c) Facilitating low-income consumers' access to goods and services by putting in place the necessary safety nets;

(d) Disseminating information on public goods and services available and their efficient use, and any safety risks;

(e) Ensuring that the newly privatized entities fulfil their environmental responsibility, namely protecting diversity and the environment in general;

(f) Ensuring that companies have civil responsibility for harm caused to consumers.

Issues for discussion

(i) **Regulatory frameworks for privatized public utilities**. Is it necessary to have regulatory bodies, and, if so, what form should they take? At what point in the privatization process should these bodies be established? What should be the relationship between regulators, consumers and competition agencies?

(ii) **Prices.** How can Governments ensure that privatized companies do not exploit consumers? Is it possible to ensure that consumers do not carry the burden of the losses that utilities may incur by their own inefficiency, and, if so, which policy measures are more appropriate?

(iii) **Quality of goods and services and mode of delivery.** Which avenues can be explored for the consumer to be assured of quality goods and services and efficient delivery? How can Governments ensure that consumers have been provided with enough information about the good or service delivered?

(iv) **Information dissemination and training.** Who is responsible for informing the consumer about the post-privatization arrangements, and his or her rights in that connection?

2.3 Competition and consumer access to financial services

26. As economic activities become more globalized through trade, investment and consumption, the challenge of securing access to finance on predictable and competitive terms accentuates the need to maintain a competitive and efficient financial sector.

27. At the international level, rapid and significant changes have occurred in recent years in the structure of financial services around the world, particularly in the developed world. Not only have markets become integrated across traditional product lines or within national borders, but also they have increasingly become global. Competition among financial institutions and between financial and non-financial institutions has become intense. Cross-border mergers and acquisitions in banking and insurance are now transforming the industry.[6] These mergers and acquisitions are aimed at global restructuring or gaining and consolidating competitive edges. Such changes have been enhanced or, in many cases, initiated by deregulation, which has reduced the existing segmentation of financial services industries. The result is increased competition between and within financial centres on the basis of synergies of skills and infrastructure.

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[6] Described in *World Investment Report 2000: Cross-Border Mergers and Acquisitions and Development*, Part Two, pp. 99-157.

28. The situation is somewhat different in less developed economies. Given the relatively less developed financial sector in most developing countries and countries with economies in transition, and the fact that this sector constitutes a basic infrastructure of the economy, the public sector has traditionally played a large role in banking, securities and exchange, insurance and money markets, and in the postal system, which provides financial services especially in rural areas. The role of the public sector covers not only ownership and management but also prudential supervisory control. Market failure is an acute problem in this sector owing to asymmetries of information between contracting parties and moral hazards. Public policy aims at preventing systemic risk and providing safety nets such as deposit insurance.

29. In the past, competition policy was not a primary objective of regulation of the financial sector. However, as Governments have introduced deregulation and privatization into the sector so as to eliminate State-induced obstacles, there is a growing need for competition policy to address the anti-competitive practices of financial firms. Deregulation needs to be accompanied by appropriate prudential and transparent rules to prevent anti-competitive practices, and enhance competition and innovation in the financial services sector and promote consumer welfare. The major challenge for regulators, however, is that prudential concerns as well as the need to develop domestic financial industries have forced regulators to be generally cautious about introducing competition in the financial sector.

Issues for discussion

(i) What are the implications of deregulations and technological innovations for the structure of financial markets? Will they enhance competition and consumer welfare?

(ii) In view of the general trend towards privatization of State-owned financial institutions, is there a role for public policy, cooperatives and mutual institutions in enhancing competition, competitiveness and consumer welfare?

Chapter III

PUBLIC POLICY AND CAPACITY-BUILDING FOR RULE-MAKING AND ENFORCEMENT

3.1 The role of Governments, business and consumer representatives

30. Globalization and the rapid pace of technological innovation in services and consumer products make it difficult to anticipate all the potential consumer protection problems and their solutions. This requires continuous monitoring of consumer protection policies by local authorities. However, businesses also have a vested interest in helping to create and promote a safe environment for consumers. Self-regulatory efforts may offer some of the most promising avenues for consumer protection.

31. Business and consumer groups can work together to develop and implement voluntary self-regulatory codes that establish effective and enforceable consumer protection mechanisms. This could go a long way towards building consumer confidence and trust. Both governmental and non-governmental organizations can facilitate the development of voluntary self-regulatory consumer protection codes and initiatives by providing guidance for the basic elements of global consumer protection on-line. Also, Governments can assist by enforcing laws that support private sector efforts to protect consumers through self-regulatory codes.

32. Governments have recognized that internationally coordinated approaches may be needed in order to exchange information and establish a general understanding about how to address consumer protection in the context of borderless markets.[7] In this respect, the challenge is how to strike the right balance between the desirability of social development and economic growth based on new network technologies, and the necessity to provide citizens with effective and consistent consumer protection. Many countries have begun to review existing consumer protection laws and practices to determine whether changes need to be made to accommodate the new challenges posed by global markets. These efforts should be part of a global framework for a cooperative effort between Governments, business, consumers and their representatives.

3.2 International cooperation

33. At the multilateral level, UNCTAD can play a role in this regard by bringing together government, business and consumer representatives to clarify specific policy and regulatory issues relating to consumer protection in the context of a globalizing world. The 1985 United Nations Guidelines for Consumer Protection, which have been extended to include provisions on sustainable consumption, define essential issues to be dealt with such as health and safety, access to goods and services, and measures for redress. They recognize two principal concerns: the imbalances that consumers face in economic terms, education levels and bargaining power, and the importance of just, equitable and sustainable economic and social development. The

[7] See note 6.

Guidelines seek to further international cooperation in the area of consumer protection. They can assist in the identification of priorities and can serve as a model policy framework for developing countries. UNCTAD's Intergovernmental Group of Experts on Competition Law and Policy has provided an intergovernmental forum for international cooperation and interaction between Governments, business and consumer representatives on the issues of competition and the development dimension which oversees the implementation of the Set of Multilaterally Agreed Equitable Principles and Rules for Control of Restrictive Business Practices. The Expert Meeting on Consumer Interests, Competitiveness, Competition and Development is a distinct body from the Intergovernmental Group of Experts on Competition Law and Policy and aims at meeting the challenges posed by the evolving nature of the global economy and working to establish a safe and predictable global market place for consumers.

3.3 Follow-up work at the international level

34. International organizations, including the UN agencies, the Organisation for Economic Co-operation and Development, the World Trade Organization, the International Organization for Standardization, the Codex Alimentarius Commission and the European Union, are increasingly paying greater attention to consumer-related issues and rule-making. It is important to ensure that ongoing work in these areas does not lead to duplication and conflict. At present, there is no systematic understanding of how a coordinated approach to international consumer rule-making could work.

35. There is an urgent need to undertake a study examining how best to pursue a coordinated effort towards the implementation and enforcement of the United Nations Guidelines for Consumer Protection as well as international rules, with a view to developing a more predictable, systematic, efficient and effective approach to international consumer protection, and a coherent, rationalized approach to capacity-building for rule-making and enforcement of consumer protection measures. Such a study would also identify the steps involved in enforcing coherent international consumer protection measures.

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REPORT OF THE EXPERT MEETING ON CONSUMER INTERESTS, COMPETITIVENESS, COMPETITION AND DEVELOPMENT

Held at the Palais des Nations, Geneva
17 to 19 October 2001

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Chapter I

THE ROLE OF CONSUMER AND COMPETITION POLICIES IN ENHANCING COMPETITIVENESS AND DEVELOPMENT

Outcome of the Expert Meeting

The Expert Meeting made the following proposals on issues which should be taken into account in UNCTAD's work on consumer interests, competitiveness, competition and development.

1. The Expert Meeting offered the opportunity for an enriching exchange of expertise and experiences on the relevance of competition law and policy and consumer protection policies for enhancing competitiveness in developing countries and economies in transition. The discussions covered member countries' relevant experiences in matters of consumer protection and competition policy, including privatization and deregulation of public sector utilities; the implications of globalization for cross-border anti-competitive practices; and public policy and capacity-building for rule-making and enforcement. The importance of national and regional traditions and cultures was stressed as the background against which the content and the implementation of consumer protection and competition laws should be defined.

FINDINGS

2. Whilst recognizing that globalization and deregulation of goods and services markets may have the potential to improve the circumstances of consumers in many countries, the meeting also recognized that these processes pose major challenges when markets fail to protect consumers and access to redress mechanisms. The challenges posed by competition among developing countries to attract foreign investment, as well as the permeability of frontiers to unwarranted imports in some countries, were noted as deserving particular attention in this regard.

3. It was recognized that privatization and deregulation in developing countries (particularly the least developed countries among them) and the drive to limit the role of Governments in the market place may go hand in hand with regard for consumer interests and the need for an institutional and legal framework for consumer protection. It was pointed out that in some cases privatization and deregulation have been effected with scant regard for consumer interests and often in the absence of an institutional and legal framework for consumer protection. The processes of deregulation and liberalization have thus exposed consumers in developing countries and economies in transition to unsafe products and services and fraudulent business practices.

4. It was further recognized that national regimes for consumer protection would need to protect consumers and promote sustainable consumption patterns without imposing undue constraints on business, in order to achieve the development and growth of effective markets.

5. It was noted that properly implemented competition and consumer policies can make a key contribution to competitiveness and sustainable development.

6. In the light of these findings the Expert Meeting made the following recommendations for consideration by the Commission on Trade in Goods and Services, and Commodities at its sixth session, to be held in Geneva from 4 to 8 February 2002.

A. At the national and regional levels

7. Governments are invited to take the necessary steps to implement the UN Guidelines for Consumer Protection (1999) as a matter of urgency and in this regard incorporate the consumer protection dimension into their macroeconomic policies and legal frameworks. In this respect, Governments should also take account of the interests of consumers and actively negotiate on their behalf when entering into binding international agreements.

8. Governments should develop and maintain competition and consumer protection policies which are mutually reinforcing, with a view to promoting consumer welfare, competitive markets, competitiveness and development.

9. Governments should take into account consumer views and interests at all levels of policy- and decision-making processes and in this respect they should create specific channels and mechanisms for dialogue with consumers and their representative organizations. It was suggested that Governments should adopt mechanisms to delegate to civil society certain reconciliation and consumer arbitration powers.

10. In applying consumer protection laws and other regulations Governments should take due care to ensure that measures benefit all sectors of the population, particularly the informal sector and the poor.

11. Bearing in mind the need to reach rural areas and illiterate consumers, Governments should, as appropriate, develop and/or encourage the development of consumer information and education programmes.

12. Governments should take the necessary steps to establish consumer courts.

13. Governments are invited to take measures with a view to combating the production and marketing of poor-quality and unsafe products, including the development of black markets for the sale of such products.

14. Governments should take the necessary steps to include consumer education programmes in the curriculum of formal and non-formal education.

15. Enterprises should obey relevant laws and regulations of the countries in which they do business and conform to the appropriate provisions of international standards.

16. Enterprises should conform to the provisions of the UN Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, particularly section D, "Principles and rules for enterprises, including transnational corporations".

17. Each private sector organization should adopt a code of conduct for its members in order to promote ethics, subject to competition laws.

18. Consumer associations and representatives should, for their part, familiarize themselves fully with the UN Guidelines for Consumer Protection in order to be able to play their role of educating consumers, particularly those in the informal sector, thereby contributing to the implementation of those guidelines.

19. Consumer associations are encouraged to be proactive in their interaction with government and intergovernmental agencies and with businesses in order to advance and safeguard consumer views and interests.

20. Consumer associations should develop joint regional training and information programmes in cooperation with government, business, international organizations, and academic and other civil society organizations in order to create synergies for promoting consumer welfare.

B. At the international level

21. UNCTAD should call upon the international development partners to provide technical and financial assistance in the field of capacity-building at the human resource and institutional levels for the formulation and enforcement of consumer policies. In this respect, financing organizations and external donors are invited to make voluntary contributions in support of those objectives.

22. The Expert Meeting noted with appreciation the important and useful work done by UNCTAD in the field of competition law and policy and consumer protection.

23. UNCTAD should strengthen its institutional machinery and promote consumer interests with a view to monitoring implementation of the UN Guidelines for Consumer Protection.

24. UNCTAD should convene Expert Meetings on the protection of consumers and regulation of public services and on international mechanisms for consumer protection, including in relation to cross-border transactions, cross-border fraud, e-commerce, etc.

25. UNCTAD should, upon request, provide member countries with technical assistance in adopting or reforming and better enforcing consumer protection and competition laws and in implementing the UN Guidelines for Consumer Protection as expanded in 1999. Resources permitting, UNCTAD should also assist consumer organizations in this respect.

26. UNCTAD should cooperate with other relevant international organizations and consumer associations with a view to taking stock of ongoing work, disseminating information and creating synergies towards an integrated approach for more effective implementation of the UN Guidelines for Consumer Protection.

27. Some experts recommended that UNCTAD should further study the interface between competition, consumer interests, competitiveness and development by focusing on how markets can integrate the informal sector, work better for the poor and generate growth, employment and export opportunities.

28. UNCTAD should develop and maintain a website network on consumer protection containing information on existing consumer protection activities, policies, organizations and legislation, including regional and international agreements containing consumer-related provisions.

29. UNCTAD should develop a model law or laws on consumer protection.

Chapter II

CHAIRPERSON'S SUMMARY

1. The Expert Meeting on Consumer Interests, Competitiveness, Competition and Development organized its discussions under three substantive themes: (a) globalization, competition, competitiveness and consumer protection; (b) national competition law and policy, regulation and consumer welfare; and (c) public policy and capacity-building for rule-making and enforcement.

A. Globalization, competition, competitiveness and consumer protection

2. Under this first theme, the experts discussed the experiences of poorer countries in assessing the impact of globalization on competition, competitiveness and consumer welfare. It was reported that during economic reforms in Uganda, extensive economic liberalization, including the privatization of State enterprises, had led to a number of anti-competitive practices by foreign firms which constituted abuse of dominance. Such practices included buying off competitors, and dumping defective, hazardous and/or substandard goods on domestic markets. It was reported that some firms had been accused of selling substandard lubricants to rural consumers, and marketing suspect dairy products, beef, cooking oil and other food items under the guise of food aid. Other examples of unscrupulous business practices included the misuse of ISO 9000 as a product quality mark. Also, competition had been distorted by leading firms' price-fixing and market-sharing arrangements, particularly in the beverages and petroleum industries. It was reported that the trade associations formed by those two industries were an excuse for fixing prices and sharing markets.

3. It emerged from the discussions that many developing country Governments had largely been unable or reluctant to respond to complaints lodged by consumer protection associations and the general public for a number of reasons. These included the absence of competition and consumer protection legislation or authorities, a lack of resources – both human and financial – to investigate complaints, impotence in the face of global mergers and acquisitions for fear of retaliatory action by some large firms' home country, political interference, and fear of frightening away foreign direct investment.

4. Experts pointed out that in some cases, while looking for the benefits of globalization many countries were grappling with anti-competitive practices arising from mergers and acquisitions by mega-firms as a result of trade liberalization and privatization. These mergers and acquisitions had been mainly in the banking and financial sectors, and in tourism.

5. Problems relating to various types of international fraud, such as pyramid schemes, had been uncovered by developing countries. An intensive education campaign in that connection had had little effect, particularly among consumers from the poorer sections of the population, and many had lost money as a result of such schemes. While some of the abuses had been prosecuted in some countries under common or criminal law, there was an urgent need for specific legislation. Other problems, which Governments were trying to come to

grips with, included jurisdictional issues relating to electronic commerce and cases of counterfeiting.

6. It was indicated that in countries whose competition law did not include provisions relating to mergers and acquisitions, there was some scope for examining mergers and acquisitions under legal provisions covering anti-competitive practices and for recourse to common-law principles. It emerged from the discussions that this issue should be revisited and that competition laws should include specific provisions relating to mergers and acquisitions, with factors such as market thresholds, scales for competitiveness and the size of domestic markets in a global market being taken into consideration.

7. At the regional level several integration groupings, including the Caribbean Community (CARICOM), had formulated community competition policies that were expected to boost national laws. The harmonization of national competition laws and issues concerning the extent to which sovereign rights might have to yield to regional concerns remained to be tackled. Other issues, particularly for countries that had not yet introduced competition law, related to the availability of resources for implementation and the costs associated with it. In addition, participants referred to the potential conflict with other agreements, including on trade and investment issues, and to implementing competition policies in smaller economies while giving specific consideration to the particular vulnerability of those economies.

8. If consumers were confused by the information given by the seller, it might be appropriate to require greater disclosure. Where there was an uneven basis of comparison, pro-competitive standardization would be appropriate and standards bureaux had an obvious role to play in this regard. It was pointed out that information-sharing among competition and consumer protection authorities was vital for curbing international frauds such as pyramid schemes. A question raised in this context was how to protect consumers in a global economy. It was reported that the United States International Consumer Database monitored such schemes, and that the database was available to any country that might wish to use it or contribute information to it. Consumer education on a global basis, information-sharing and transparency were necessary in order to make consumers better able to protect themselves from unscrupulous business practices. Countries needed to undertake joint action to safeguard themselves against cross-border fraud. Areas of particular concern to consumers in e-commerce were security issues related to payments on-line and consumer redress in the event of disputes. It was stressed that competitive markets were the first line of defence, and Governments were urged not to compromise free-market principles in the quest for consumer protection.

B. National competition law and policy, regulation and consumer welfare

9. In principle, competition and consumer protection policies share the same goals. In an ideal world the market should protect consumers, but in reality markets fail regularly, mainly because of misinformation, and thus the benefits of competition are often lost. Examples of

market failure in this respect which were cited included cases where consumers were inexperienced or confused by product information; where the basis of comparison was confusing, for example when different units of measurements were used for like products; and where sellers had no interest in protecting their reputation. Such problems were likely to increase with the use of the Internet for the sale and purchase of goods and services.

10. In a number of developing countries the introduction of economic reforms opened the door to poor-quality goods and services. Market forces were expected to regulate prices through fair competition, but frequently this did not happen. Despite the existence of competition authorities and consumer protection legislation in many developing countries, asymmetric information still placed consumers at a great disadvantage.

11. Several experts reported that consumer protection legislation, which could encompass amendments to the existing consumer protection Acts or competition laws, were either under consideration or had been introduced. The approach to consumer protection sought to achieve greater redress in terms of the imbalance in knowledge and power between suppliers and consumers.

12. Another issue that was discussed was how, in the absence of specific legislation, common law would function to protect consumers effectively in cases of misinformation. The experience of one common-law country indicated that since different groups of consumers were likely to have different tastes and preferences, it was important that the provisions of consumer protection laws be flexible enough to accommodate different consumer perspectives. In some legislations various common-law provisions worked effectively to secure redress through the Sale of Goods Acts, which dealt with merchantability, and/or the General Law of Contracts, which dealt with misrepresentation. For example, in Jamaica, consumer redress with respect to pyramid schemes had been secured through criminal law. However, a major drawback with regard to seeking redress through both common and criminal law was the high costs associated with the process. It was reported that in some least developed African countries, consumer protection laws advocated the establishment of small claims courts and the bringing of class actions as a way of expediting consumer redress and reducing the costs of access to justice.

13. With regard to misleading advertising, it transpired that the American approach, which was comparable to that of the European Union, was to require the advertiser to substantiate any claim made in advertisements. Should the advertiser not have any proof of claims made, such advertisements would be deemed to be misleading. Consumer protection associations in several developing countries where there was no specific legislation had successfully challenged claims made by companies, and this had resulted in the removal of the offending advertisements. Efforts to remedy misleading information contained in advertisements emanating from a foreign enterprise proved more difficult, as this implied cooperation with foreign Governments and other consumer organizations since domestic laws did not have extraterritorial effect.

14. A number of experts disagreed with the assertion that competition law always served the interests of consumers. They were of the view that while competition law and policy had some objectives in common with consumer protection, these were two separate issues whose scope was different and between which contradictions arose from time to time. Consequently, it was necessary to look at the points of convergence and of divergence between the two and to ensure that consumer policy was not subsumed under competition policy. It was stressed that although consumer policy and competition policy might not converge in all aspects, they complemented each other.

15. The interface between competition policy, consumer protection and competitiveness, particularly in economies in transition, was questioned by some experts. Evidence of a causal relationship at both the national and international levels was called for. The American automobile industry and the fast-food industry were presented as cases in point, where competition from foreign competitors led to new products and more competitiveness.

16. The point was made that for many developing countries the protection of national industries was still the priority and that this necessitated careful monitoring of local and imported products. In the light of low incomes and widespread poverty, it was necessary to ensure the availability of cheap local substitutes. The informal sector played a critical role in ensuring the availability of affordable goods and services to the poor, who often constituted the majority of the population in developing countries. In the absence of capacity to combat restrictive business practices, increased imports might not benefit consumers or raise standards of living. In this respect, competition policy had to be placed in the context of development.

17. In response to these concerns, it was pointed out that competition law and policy were intended to protect competition and not the competitor. Foreign competition represented an opportunity for local producers to upgrade their products, and consumers were presented with a choice of products. It was to be expected that producers that proved non-competitive would be driven out of the market; this was acceptable if it meant that the consumer would have access to better-quality goods at a competitive price. If consumers were left unable to afford expensive imports and more affordable local substitutes were driven out of the market, there might be sufficient grounds for anti-dumping measures to be instituted in order to preserve competition.

18. It was emphasized that there was a strong link between consumer protection and competitiveness. The need for consumer sensitization and education was stressed particularly in the case of developing countries, where the majority of consumers were hampered by illiteracy and other information deficiencies. Very often poor consumers accepted defective goods, attributing their purchase to bad luck, and neglected to lodge a complaint. In many cases, the informal sector's clientele believed that that sector provided cheaper and perhaps better-quality goods. However, a study in Venezuela revealed that prices were cheaper only in the case of prepared food – all other goods were more expensive than in the formal sector.

19. Consumer education entailed the sensitization of both consumers and business, because businesses often saw consumer organizations as their enemy. In the light of the inadequate information available to developing country consumers, consumer education necessitated simplifying consumer protection laws and reaching rural consumers by ensuring that consumer education programmes provided adequate coverage and by developing innovative ways to transmit messages to consumers. Also, it was agreed that consumer education should be introduced into the curricula of schools and universities. In this context, the experience of the volunteer job programme of the Uganda Consumers Protection Association, which involved the sending out of field officers to remote areas, including schools, was germane. An important lesson to be learned from the American experience was the use of colourful and stimulating educational material that could capture the attention of the consumer, developed with the help of marketing experts and in conjunction with business organizations that were willing to share the costs of producing such material.

20. It was noted that conflicts between competitiveness, intellectual property rights and consumer protection could often not be resolved easily. Cases in point were genetically modified products and pirated music. In this context, the role and function of regulation for consumer protection represented both costs and benefits for consumers. For example, intellectual property rights protection raised the costs to consumers. However, such costs might be deemed worthwhile, although this might not always be the case where, for instance, health concerns could be considered to be too serious compared with the costs imposed on the producer, should the supplier be forced to comply with health standards. One expert was of the view that health standards should not be compromised even in the informal sector, citing the example of successful programmes for informal-sector small and medium-sized enterprises (SMEs) to upgrade health standards and progressively comply with consumer protection laws throughout the economy. The point was also made that although the informal sector could play an important role in developing economies, if any breaches of competition law or consumer protection were identified, consumer redress must be secured.

21. The discussions on microenterprise policies focused attention on the problems and challenges facing SMEs and, in particular, on how other development policies interacted with that sector. It was explained that in many developing countries a large proportion of the population lived in poverty and earned their living from the informal sector. Consequently, there was a need to examine how the principles of competitiveness and consumer protection would and should be applied to the informal market in order to make it more efficient and allow it to achieve its full potential.

22. Critical differences were recognized as inherent between the formal and informal markets. The two sectors differed in *inter alia* technology use, firm size, types of goods and services, legal status and organizational skills. Given these critical differences, informal markets tended to manifest certain characteristics of potentially competitive markets. These might include free entry and exit, and a large number of traders, although the existence of non-homogeneous products and a lack of information might confuse consumers and lessen competition.

23. It was pointed out that the informal sector could play a development role in the developing countries, and that there was therefore a need to revitalize and empower this sector. One area which was identified as playing a crucial role in this empowerment was micro financing. The evolution of micro finance institutions (MFIs) had made it possible for informal market operators to access human technical and financial resources, especially loans. A case study was reported where the MFIs had adapted themselves to the needs of informal market operators and where access to loans on favourable terms had been developed. Governments and other development agents were therefore called upon to accommodate the informal sector and adopt those terms in programmes suitable for the sector.

24. The experts also discussed the existence of natural monopolies, including public utilities, which operated through multiple local distribution agencies. Often consumers complained of inefficient State monopolies but at the same time objected to privatization of those enterprises. This was due to the fact that many public utilities had no easy substitutes for local markets, and often resulted in private companies investing in service extension only in markets where consumers could afford to pay high prices, and investments could yield high returns. It was reported that in Ghana consumers in rural areas paid more for water than those in urban areas. A key issue was who should pay for the social cost after the privatization of basic utilities and how to ensure that the perceived private monopolies did not abuse their dominant positions. This called for sector regulatory policies and supervision of privatized utilities.

25. Concerning possible conflicts between regulation and competition policy, it was argued that regulatory decisions should not pre-empt the entry of new competitors since this might adversely affect consumer welfare. A major deficiency was the lack of clear, regular and stable procedures for consumer participation in the regulatory processes, particularly in privatized enterprises. Regulations might be an appropriate tool for allocating resources, provided that the interests of the population at large were taken into consideration in those regulations.

26. It was pointed out that consumers' representation could be increased through their participation in public hearings or other processes which were then reflected in regulatory decisions. Examples of such participation were given. It was emphasized that this participation should occur at all stages and be carried out through decentralized civil society bodies belonging to the public administration or specialized agencies for consumer protection.

C. Public policy and capacity-building for rule-making and enforcement

27. The role of Governments, enterprises and consumer associations in the promotion of competition was emphasized. Experts drew attention to the need to intervene in the market as a "driving force" in cases of limited competitive markets and limited demand, and where

there were difficulties in identifying the components of certain goods. Also, consumer associations needed to play a proactive role in protecting consumers.

28. Governments should coordinate their consumer protection activities with entrepreneurs and consumers and trade unions. It was emphasized that consumer protection policies differed among countries and this fact had to be reflected in consumer protection laws. Nevertheless, common features in the approaches to resolving various problems, and the experience accumulated, should be the subject of special studies and international cooperation.

29. In particular, experts noted the need for Governments to play a proactive role instead of preventive and reactive roles. Such a role would involve various phases, including the adoption of real and measurable indicators, monitoring markets and sectors, and introducing efficient mechanisms for dispute settlement and mediation at national level. An effective consumer protection strategy should include the provision of training, the establishment of networks of regulatory agencies, and effective legal frameworks.

30. Information-sharing was discussed as an important aspect of the consumer decision-making process. Consumers should be made aware of their rights under the various legal frameworks governing consumer affairs. The establishment of networking mechanisms to reach rural consumers was seen as an important step in reaching remote areas in developing countries. It was indicated that a recommendation for the establishment of a consumer ombudsman's office to address consumer complaints had been presented to Zambian and Peruvian policy makers for consideration.

31. Examples were given from Zambia, where consumer protection provisions were included in competition law and enforced by the competition agency. It was recognized that dealing with both consumer and competition policies in the same legislation and in one organization posed many implementation and logistical challenges. The solution lay in the formation of strong consumer organizations and lobby groups to address consumer matters.

32. It was noted that different countries were at different stages of implementation of consumer policy. Countries which had recently adopted competition legislation faced two main problems: what approach to adopt and where to start? It was suggested that the main directions were indicated in the UN Guidelines for Consumer Protection as expanded in 1999. In this connection, it was proposed that UNCTAD should provide technical assistance, including through the exchange of experiences among developing countries and economies in transition.

33. The experience gained so far in some regional groupings of developing countries pointed to the need for harmonization of consumer law with minimum substantive provisions. In this connection, the concept of sustainable consumption was an important objective which the Southern Common Market (MERCOSUR) pursued. However, harmonization of national laws might have an impact on the cost for enterprises and might entail obstacles to

competition among enterprises and thus render local products less competitive at the global level.

34. How to achieve a working partnership between the Government and civil society on matters related to consumer protection was also discussed. Civil society organizations in many developing countries complemented and supported government initiatives in this area. It was stressed that such organizations should not compete with the Government but should strive for a healthy dialogue and partnership with it.

Chapter III

ORGANIZATIONAL MATTERS

A. Convening of the Expert Meeting

35. The Expert Meeting on Consumer Interests, Competitiveness, Competition and Development was held at the Palais des Nations, Geneva, from 17 to 19 October 2001.

B. Election of officers

(Agenda item 1)

36. At its opening meeting, the Expert Meeting elected the following officers to serve on its bureau:

Chairperson:	Ms. Shantini Thiruneelakandan (Sri Lanka)
Vice-Chairperson-cum-Rapporteur:	Ms. Kerstin Berglöf (Sweden)

C. Adoption of the agenda and organization of work

(Agenda item 2)

37. At the same meeting, the Expert Meeting adopted the provisional agenda circulated in document TD/B/COM.1/EM.17/1. The agenda for the Meeting was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. The role of consumer and competition policies in enhancing competitiveness and development
4. Adoption of the outcome of the Meeting

D. Documentation

38. For its consideration of the substantive agenda item, the Expert Meeting had before it the following documentation:

"Consumer protection, competition, competitiveness and development" (TD/B/COM.1/EM.17/2);

"Recommendations of the Regional Seminar on Consumer Protection, Competition Policy, Competitiveness and Development, held in Cartagena de India, Colombia, from 23 to 25 July 2001" (TD/B/COM.1/EM.17/2/Add.1);

"Recommendations of the Regional Seminar on Consumer Protection, Competition Policy, Competitiveness and Development, held in Accra, Ghana, from 20 to 21 August 2001" (TD/B/COM.1/EM.17/2/Add.2);

"Recommendations of the Asia-Pacific Regional Seminar on New Dimensions of Consumer Protection in the Era of Globalization, held in Goa, India, from 10 to 11 September 2001" (TD/B/COM.1/EM.17/2/Add.3);

"Recommendations of the International Conference on Competition in Countries in Transition, held in Bishkek, Kyrgyzstan, from 1 to 2 October 2001" (TD/B/COM.1/EM.17/2/Add.4).

E. Adoption of the outcome of the Meeting

(Agenda item 4)

39. At its closing meeting, the Expert Meeting authorized the Rapporteur to prepare the final report of the Meeting under the authority of the Chairperson.

Annex

ATTENDANCE *

1. Experts from the following States members of UNCTAD attended the Meeting:

Angola
Argentina
Bahamas
Bangladesh
Benin
Bolivia
Brazil
Brunei Darussalam
Burkina Faso
Burundi
Central African Republic
Chad
China
Colombia
Comoros
Costa Rica
Côte d'Ivoire
Cuba
Democratic Republic of the Congo
Dominican Republic
Egypt
Ethiopia
France
Gambia
Georgia
Germany
Ghana
Guyana
India
Indonesia
Iran (Islamic Republic of)
Italy
Jamaica
Jordan
Kenya
Lao People's Democratic Republic
Libyan Arab Jamahiriya
Madagascar
Malawi
Mexico
Morocco
Mozambique
Myanmar
Nepal
Niger
Nigeria
Norway
Peru
Philippines
Romania
Russian Federation
Rwanda
Saudi Arabia
Senegal
Spain
Sri Lanka
Sweden
Syrian Arab Republic
Tunisia
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America

* For the list of participants, see TD/B/COM.1/EM.17/INF.1.

Uruguay
Venezuela
Yemen
Zambia
Zimbabwe

2. The following intergovernmental organizations were represented at the Meeting:

Arab Labour Organization
South Centre

3. The following specialized agencies and related organization were represented at the Meeting:

International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

4. The following non-governmental organizations were represented at the Meeting:

General Category

Exchange and Cooperation Centre for Latin America
Europe-Third World Centre
International Chamber of Commerce
International Confederation of Free Trade Unions
Consumers International
International Organization for Standardization